City of Courtenay

financial report

1987

CITY COUNCIL 1987

MAYOR

G. T. COCHRANE

ALDERMEN

S. J. Blain	L. B. DiCastri
K. M. Leakey	H. J. Long
W. R. McConochie	R. V. Webber

FREEMEN OF THE CITY

F. S. Williams
G. L. Hobson
H. W. Bradley
T. Schellinck

CITY OFFICIALS

City Clerk-Administrator	D. Ratcliffe
City Treasurer-Collector and Deputy City Clerk-Administrator	J. E. Wilson
Public Works Superintendent	S. M. Janzen
Fire Chief	L. Burns
Building/Plumbing Inspector	E. L. Cronk
Public Works Foreman	R. F. Carter

CITY AUDITORS

Wharram Standeven & Co.

CITY SOLICITOR

Gibson & Kelly

THE CORPORATION OF THE CITY OF COURTENAY
Financial Statements
Year ended December 31, 1987

Auditors' Report

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AUDITORS' REPORT

The Mayor and Aldermen
The Corporation of the City of Courtenay
British Columbia

We have examined the balance sheets of The Corporation of the City of Courtenay as at December 31, 1987 and the statements of surplus, revenue and expenditure, equity in capital assets, capital financing, and changes in fund balances for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Corporation of the City of Courtenay as at December 31, 1987 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted for British Columbia municipalities, applied on a basis consistent with that of the preceding year.

Wharram Standeven & Co.
Chartered Accountants

Courtenay, B.C.
March 8, 1988

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
BALANCE SHEET AS AT DECEMBER 31, 1987

ASSETS	1987	1986
CASH	$ 5,314	$ 41,034
ACCOUNTS RECEIVABLE		
Property taxes	443,124	536,225
Federal government	58,741	26,433
Provincial government	1,453,777	1,458,474
Regional and other local governments	35,708	27,196
Other	135,170	134,957
	2,126,520	2,183,285
INVENTORIES, at cost	78,027	76,041
OTHER ASSETS		
Prepaid expenses	44,115	41,764
Tax sale properties subject to redemption	47,751	93,131
Deeded to municipality	1,639	-
Municipal Finance Authority Debt Reserve Fund (Note 3)	7,937	7,793
	101,442	142,688
	$ 2,311,303	$ 2,443,048

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
BALANCE SHEET AS AT DECEMBER 31, 1987

LIABILITIES AND SURPLUS	1987	1986
TEMPORARY BORROWINGS	$ 612,242	$ 700,000
PAYABLES		
Federal government	129,794	109,046
Provincial government	-	178,535
Regional and other local governments	-	41,350
Own funds		
Reserve Funds	403,318	479,510
Sewer Operating Fund	480,799	195,866
Cemetary Perpetual Care Fund	228	-
Water Utility Operating Fund	136,593	147,869
Trade accounts and accrued liabilities	177,713	196,326
	1,328,445	1,348,502
OTHER LIABILITIES		
Matured debentures principal and interest	1,974	2,174
Deposits	23,195	17,150
Municipal Finance Authority Debt Reserve Fund liability (Note 3)		
Cash requirement	1,538	1,394
Demand note requirement	6,399	6,399
Tax sale reserve	161	5,223
	33,267	32,340
RESERVE FOR FUTURE EXPENDITURES	67,424	51,090
SURPLUS (Statement 2)	269,925	311,116
	$ 2,311,303	$ 2,443,048

CONTINGENT LIABILITY (Note 2)

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31, 1987

Statement 2

	1987	1986
BALANCE AT BEGINNING OF YEAR	$ 311,116	$ 378,306
Deduct		
Previous years' surplus appropriated for current year	170,000	170,000
Adjustment of prior years' revenues from taxes	-	392
	170,000	170,392
	141,116	207,914
Add surplus for the year (Statement 3)	128,809	103,202
BALANCE AT END OF YEAR	$ 269,925	$ 311,116

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1987

REVENUE	1987	1986
Taxes		
Real property	$ 1,896,526	$ 1,836,840
Sewer frontage tax	566,193	562,780
Water frontage tax	293,895	292,895
Downtown Revitalization frontage tax	30,470	31,614
	2,787,084	2,724,129
Grants in Lieu of Taxes		
Federal government and agencies	45,443	49,100
Provincial government	26,074	25,035
Provincial government agencies	36,061	32,850
	107,578	106,985
Sale of Services		
Protective services	284,273	278,928
Environmental Health Services		
Garbage collection and disposal	317,147	308,111
Connection fees - drains	12,863	4,387
	614,283	591,426
Other Revenue from Own Sources		
Licences and permits		
Business licences	84,789	81,588
Commercial vehicle licences	2,928	3,315
Building permits	41,705	22,682
Parking, fines, and permits	19,627	16,522
Dog licences and fees	7,919	8,394
	156,968	132,501
Rentals	80,925	83,668
Returns on Investments	92,410	60,389
Penalties and Interest on Taxes	105,746	162,956
Miscellaneous		
Parks and recreation	23,702	23,028
Cemetery	28,260	27,265
Sundry	36,165	56,793
	88,127	107,086
Carried forward to page 2	4,033,121	3,969,140

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1987

REVENUE (Continued)	1987	1986
Brought forward from page 1	$ 4,033,121	$ 3,969,140
Unconditional Transfers from Other Governments		
Provincial government		
Revenue Sharing Act	487,972	453,331
Conditional Transfers from Other Governments		
Provincial government		
Department of Highways	2,645	3,515
Residential Rehabilitation Assistance Program	7,200	9,765
Federal government		
Employment grant	-	32,539
	9,845	45,819
Other Transfers		
Transfers from own reserve accounts and funds		
Water Utility Operating Fund	126,000	100,000
Cemetery Perpetual Care Fund	8,594	7,707
Reserve for Future Expenditures	51,090	33,841
Surplus from previous years appropriated	170,000	170,000
	355,684	311,548
Collections for other Governments		
School taxes		
Non-residential	1,100,308	1,333,653
Residential	1,349,442	1,134,849
Regional Hospital District	117,320	93,539
Municipal Finance Authority	608	856
British Columbia Assessment Authority	70,142	62,619
	2,637,820	2,625,516
	$ 7,524,442	$ 7,405,354

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1987

EXPENDITURE	1987	1986
General Government Services		
Legislative	$ 59,446	$ 62,716
General Administrative	231,077	237,189
Other	56,252	40,238
	346,775	340,143
Protective Services		
Police protection	706,868	681,493
Fire protection	207,272	205,753
Emergency measures	4,442	3,298
Inspections	88,948	86,619
Animal control	38,881	38,609
	1,046,411	1,015,772
Transportation Services		
Common service	36,640	40,531
Road Transport		
Administration	60,674	57,814
Engineering	36,938	26,637
Roads and streets	268,391	258,156
Street lighting	110,798	99,492
Traffic services	39,978	37,381
Parking control	39,267	37,587
Air transport	6,246	1,713
	598,932	559,311
Environmental Health Services		
Comfort station	3,062	2,845
Garbage and waste collection and disposal	288,768	271,903
	291,830	274,748
Public Health and Welfare Services		
Public Health	66,191	61,858
Environmental Development Services	30,785	10,298
Carried forward to page 4	2,380,924	2,262,130

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1987

EXPENDITURE (Continued)	1987	1986
Brought forward from page 3	$ 2,380,924	$ 2,262,130
Recreation and Cultural Services		
Recreation Facilities		
Administration	171,060	126,072
Community Recreation Association Hall	49,611	47,942
Pool and marina	18,926	19,086
Parks and playgrounds	255,542	277,305
Cultural buildings and facilities	150,622	147,201
	645,761	617,606
Fiscal Services		
Debt charges		
Interest on temporary borrowings	43,746	61,616
Interest on long-term debt	30,029	30,470
Principal instalments	53,739	76,971
Other	3,766	4,875
Other fiscal services	-	8
	131,280	173,940
Transfers to Own Reserves and Funds		
Reserve for Future Expenditures	67,424	51,090
Machinery and Equipment Reserve Fund	70,800	70,800
Cemetery Perpetual Care Fund - fees levied	2,960	2,504
General Capital Fund	333,373	262,576
Water Utility Operating Fund (frontage tax)	293,895	292,895
Sewer Operating Fund (frontage tax)	566,193	562,780
	1,334,645	1,242,645
Transfer to other governments		
Share of Provincial and Federal grants	37,973	43,440
Transmissions of Taxes Levied for Other Governments	2,865,050	2,962,391
TOTAL EXPENDITURE	7,395,633	7,302,152
SURPLUS FOR THE YEAR	128,809	103,202
	$ 7,524,442	$ 7,405,354

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL CAPITAL FUND
BALANCE SHEET AS AT DECEMBER 31, 1987

Statement 4

ASSETS	1987	1986
UNEXPENDED FUNDS		
Cash	$ 83,245	$ 82,624
FIXED ASSETS (Schedule A)	10,457,215	9,563,502
	$ 10,540,460	$ 9,646,126

LIABILITIES AND EQUITY IN CAPITAL ASSETS

LONG-TERM DEBT		
Debenture debt (Schedule B)	$ 157,536	$ 181,946
Other long-term debt (Schedule B)	544,640	195,280
	702,176	377,226
EQUITY IN CAPITAL ASSETS (Statement 5)	9,838,284	9,268,900
	$ 10,540,460	$ 9,646,126

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 1987

Statement 5

	1987	1986
BALANCE AT BEGINNING OF YEAR	$ 9,268,900	$ 8,798,042
Add		
Transfers from other funds		
General Operating Fund	333,373	262,576
Reserve Funds	179,781	98,650
Provided by General Operating Fund		
Redemption of serial debenture principal	23,099	29,931
Other debt retirement	30,640	47,040
Provincial government grants	-	51,375
Interest income	4,115	5,046
Sundry contributions and gifts		
Regional District	9,804	10,154
Other	750	7,500
Actuarial adjustment (Debt principal)	1,310	1,022
	582,872	513,294
Deduct assets written off (net of proceeds)	13,488	42,436
	569,384	470,858
BALANCE AT END OF YEAR	$ 9,838,284	$ 9,268,900

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FINANCING
YEAR ENDED DECEMBER 31, 1987

Statement 6

	1987	1986
FINANCES ACQUIRED		
Unapplied from previous year	$ 82,624	$ 94,898
Long-term debt incurred	380,000	48,000
Provincial government contributions		
Major Municipal Highway	-	51,375
Sale of fixed assets	-	100
Transfers from Reserve Funds	179,781	98,650
Transfers from General Operating Fund	333,373	262,576
Interest earnings	4,115	5,046
Donations	750	7,500
Contribution from Regional District	9,804	10,154
	$ 990,447	$ 578,299
FINANCES APPLIED		
Expenditure for fixed assets (Schedule D)	$ 907,202	$ 495,675
Unexpended at end of year	83,245	82,624
	$ 990,447	$ 578,299
SCHEDULE OF UNEXPENDED FUNDS		
Parks	$ 579	$ 552
Theatre	82,666	82,072
	$ 83,245	$ 82,624

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL RESERVE FUNDS
BALANCE SHEETS AS AT DECEMBER 31, 1987

Statement 7

NEW WORKS RESERVE FUND

ASSETS	1987	1986
DUE FROM GENERAL OPERATING FUND	$ 9,662	$ 9,057
FUND BALANCE		
FUND BALANCE (Statement 8)	$ 9,662	$ 9,057

MACHINERY AND EQUIPMENT RESERVE FUND

ASSETS	1987	1986
CASH	$ 1,342	$ 1,278
DUE FROM GENERAL OPERATING FUND	248,824	273,684
	$ 250,166	$ 274,962
FUND BALANCE		
FUND BALANCE (Statement 8)	$ 250,166	$ 274,962

PUBLIC PARKING RESERVE FUND

ASSETS	1987	1986
DUE FROM GENERAL OPERATING FUND	$ 12,445	$ 20,010
FUND BALANCE		
FUND BALANCE (Statement 8)	$ 12,445	$ 20,010

LAND SALES RESERVE FUND

ASSETS	1987	1986
CASH	$ 790	$ 41,933
FUND BALANCE		
FUND BALANCE (Statement 8)	$ 790	$ 41,933

John B. Miller
Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 1987

Statement 8

NEW WORKS RESERVE FUND BALANCE

	1987	1986
BALANCE AT BEGINNING OF YEAR	$ 9,057	$ 8,434
Add interest income	605	623
BALANCE AT END OF YEAR	$ 9,662	$ 9,057

MACHINERY AND EQUIPMENT RESERVE FUND BALANCE

	1987	1986
BALANCE AT BEGINNING OF YEAR	$ 274,962	$ 269,738
Add		
Proceeds from sale of fixed assets	-	13,905
Transfer from General Operating Fund	70,800	70,800
Interest income	17,685	19,169
	363,447	373,612
Deduct transfers to General Capital Fund	113,281	98,650
BALANCE AT END OF YEAR	$ 250,166	$ 274,962

PUBLIC PARKING RESERVE FUND BALANCE

	1987	1986
BALANCE AT BEGINNING OF YEAR	$ 20,010	$ 18,633
Add		
Interest income	1,435	1,377
Contributions	15,000	-
	36,445	20,010
Deduct transfers to General Capital Fund	24,000	-
BALANCE AT END OF YEAR	$ 12,445	$ 20,010

LAND SALES RESERVE FUND BALANCE

	1987	1986
BALANCE AT BEGINNING OF YEAR	$ 41,933	$ 39,500
Add interest income	1,357	2,433
	43,290	41,933
Deduct transfer to General Capital Fund	42,500	-
BALANCE AT END OF YEAR	$ 790	$ 41,933

THE CORPORATION OF THE CITY OF COURTENAY
WATER UTILITY OPERATING FUND
BALANCE SHEET AS AT DECEMBER 31, 1987

Statement 9

ASSETS	1987	1986
DUE FROM GENERAL OPERATING FUND	$ 136,593	$ 147,869
INVENTORY OF SUPPLIES, at cost	71,791	55,696
	$ 208,384	$ 203,565
LIABILITIES		
RESERVE FOR FUTURE EXPENDITURES	$ -	$ 12,865
SURPLUS		
SURPLUS (Statement 10)	208,384	190,700
	$ 208,384	$ 203,565

John B. Nelson
Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
WATER UTILITY CAPITAL FUND
BALANCE SHEET AS AT DECEMBER 31, 1987 — Statement 12

ASSETS	1987	1986 (Note 1(c)(ii))
FIXED ASSETS		
Utility plant, at cost	$ 1,445,751	$ 1,374,349

LIABILITIES AND EQUITY IN CAPITAL ASSETS

LONG-TERM DEBT (Schedule B)	$ 6,092	$ 7,098
EQUITY IN CAPITAL ASSETS (Statement 13) (Note 1(c)(ii))	1,439,659	1,367,251
	$ 1,445,751	$ 1,374,349

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
WATER UTILITY CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 1987

Statement 13

	1987	1986 (Note I(c)(ii))
BALANCE AT BEGINNING OF YEAR		
As previously stated	$ 499,819	$ 458,584
Reversal of depreciation	867,432	840,752
As restated	1,367,251	1,299,336
Add		
Transfers from own funds		
Water Utility Operating Fund	71,402	66,969
Redemption of debenture principal	1,006	946
BALANCE AT END OF YEAR	$ 1,439,659	$ 1,367,251

WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FINANCING
YEAR ENDED DECEMBER 31, 1987

Statement 14

	1987	1986
FINANCES ACQUIRED		
Transfer from Water Utility Operating Fund	$ 71,402	$ 66,969
FINANCES APPLIED		
Expenditure for fixed assets	$ 71,402	$ 66,969

THE CORPORATION OF THE CITY OF COURTENAY
WATER UTILITY RESERVE FUND
BALANCE SHEET AS AT DECEMBER 31, 1987

Statement 15

ASSETS	1987	1986
DUE FROM GENERAL OPERATING FUND	$ 71,332	$ 66,865

FUND BALANCE

BALANCE AT BEGINNING OF YEAR	$ 66,865	$ 60,540
Add		
Interest income	4,467	4,325
Transfer from Water Utility Operating Fund	-	2,000
BALANCE AT END OF YEAR	$ 71,332	$ 66,865

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
SEWER OPERATING FUND
BALANCE SHEET AS AT DECEMBER 31, 1987 — Statement 16

ASSETS	1987	1986
DUE FROM GENERAL OPERATING FUND	$ 480,799	195,866
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND (Note 3)	115,195	110,836
	$ 595,994	$ 306,702

LIABILITIES AND SURPLUS

MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND		
Liability (Note 3)		
Cash requirement	$ 46,105	$ 41,746
Demand note requirement	69,090	69,090
	115,195	110,836
RESERVE FOR FUTURE EXPENDITURES	341,759	59,000
SURPLUS (Statement 17)	139,040	136,866
	$ 595,994	$ 306,702

John B. Nelson
Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
SEWER OPERATING FUND
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31, 1987

Statement 17

	1987	1986
BALANCE AT BEGINNING OF YEAR	$ 136,866	$ 141,851
Deduct previous years' surplus appropriated for current year	10,000	24,000
	126,866	117,851
Add surplus for the year (Statement 18)	12,174	19,015
BALANCE AT END OF YEAR	$ 139,040	$ 136,866

SEWER OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1987

Statement 18

	1987	1986
REVENUE		
Sale of services	$ 203,152	$ 201,740
Surplus from previous years appropriated	10,000	24,000
Connection fees	28,607	5,350
Interest		
Municipal Finance Authority debt reserve	4,359	4,567
Transfers from General Operating Fund		
Frontage tax	566,193	562,780
Sewer Facilities Assistance Grant	2,012,823	2,008,100
	$ 2,825,134	$ 2,806,537
EXPENDITURE		
Administration	$ 79,165	$ 66,940
Operation and maintenance	43,587	40,663
Debt charges		
Principal	28,372	27,679
Interest	112,161	112,855
Other - exchange	42,224	53,215
Transfer to Reserve for Future Expenditure	282,759	59,000
Other fiscal services		
Municipal Finance Authority	4,359	4,567
Transfer to Sewer Capital Fund	29,432	3,280
Regional District requisition	2,190,901	2,419,323
	2,812,960	2,787,522
SURPLUS FOR THE YEAR	12,174	19,015
	$ 2,825,134	$ 2,806,537

THE CORPORATION OF THE CITY OF COURTENAY
SEWER CAPITAL FUND
BALANCE SHEET AS AT DECEMBER 31, 1987 — Statement 19

ASSETS	1987	1986
FIXED ASSETS, at cost		
Engineering structures	$ 2,484,682	$ 2,400,387

LIABILITIES AND EQUITY IN CAPITAL ASSETS

LONG-TERM DEBT (Schedule B)	$ 812,644	$ 846,145
EQUITY IN CAPITAL ASSETS (Statement 20)	1,672,038	1,554,242
	$ 2,484,682	$ 2,400,387

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
SEWER CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 1987

Statement 20

	1987	1986
BALANCE AT BEGINNING OF YEAR	$ 1,554,242	$ 1,466,121
Add		
Transfers from own funds		
Sewer Operating Fund	29,432	3,280
Sewer Reserve Fund	54,863	53,161
Debt retirement from Sewer Operating Fund	28,372	27,679
Actuarial adjustment	5,129	4,001
BALANCE AT END OF YEAR	$ 1,672,038	$ 1,554,242

SEWER CAPITAL FUND
STATEMENT OF CAPITAL FINANCING
YEAR ENDED DECEMBER 31, 1987

Statement 21

	1987	1986
FINANCES ACQUIRED		
Transfers from own funds		
Sewer Reserve Fund	$ 54,863	$ 53,161
Sewer Operating Fund	29,432	3,280
	$ 84,295	$ 56,441
FINANCES APPLIED		
Due to Sewer Operating Fund at beginning of year	$ -	$ 478
Expenditure for fixed assets		
Engineering structures	84,295	55,963
	$ 84,295	$ 56,441

THE CORPORATION OF THE CITY OF COURTENAY
SEWER RESERVE FUND
BALANCE SHEET AS AT DECEMBER 31, 1987 Statement 22

ASSETS	1987	1986
DUE FROM GENERAL OPERATING FUND	$ 61,055	$ 109,894

FUND BALANCE

BALANCE AT BEGINNING OF YEAR	$ 109,894	$ 152,423
Add interest income	6,024	10,632
	115,918	163,055
Deduct transfer to Sewer Capital Fund	54,863	53,161
BALANCE AT END OF YEAR	$ 61,055	$ 109,894

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
CEMETERY PERPETUAL CARE FUND
BALANCE SHEET AS AT DECEMBER 31, 1987

Statement 23

ASSETS	1987	1986
CASH	$ 364	$ 1,273
INVESTMENTS (Schedule C)	110,565	106,925
DUE FROM GENERAL OPERATING FUND	228	-
ACCRUED INTEREST RECEIVABLE	131	131
	$ 111,288	$ 108,329

FUND BALANCE

BALANCE AT BEGINNING OF YEAR	$ 108,328	$ 105,825
Add		
General Operating Fund		
Fees levied	2,960	2,504
Interest revenue	8,594	7,707
	119,882	116,036
Deduct transfer to General Operating Fund	8,594	7,707
BALANCE AT END OF YEAR	$ 111,288	$ 108,329

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1987

1. SIGNIFICANT ACCOUNTING POLICIES

(a) British Columbia municipalities

It is the policy of the City to follow accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. As part of this policy, the resources and operation of the City are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

(b) Investments

Investments are recorded at cost.

(c) Fixed assets

(i) General Capital Fund, Sewer Capital Fund, and Water Utility Capital Fund

Fixed assets are recorded at cost in the year of acquisition. No depreciation is recorded on fixed assets.

(ii) Water Utility Capital Fund

Depreciation recorded in prior years has been reversed and credited to Equity in Capital Assets in accordance with an accounting policy change recommended by the Province of British Columbia, Ministry of Municipal Affairs. Comparative figures for 1986 have been restated accordingly.

(d) Debt charges

Debt charges, including principal and interest, are charged against current revenue in the periods in which they are paid.

2. CONTINGENT LIABILITY

Regional District debt is, under the provisions of the Municipal Act (Section 799), a direct, joint, and several liability of the District and each member municipality within the District, including The Corporation of the City of Courtenay.

3. MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND

The debt reserve fund is recorded in United States of America currency. If the debt reserve fund had been converted into Canadian dollars at the rates of exchange prevailing at December 31, 1987, the Corporation of the City of Courtenay's reserve fund and reserve fund liability would have exceeded the amount recorded in its accounts by approximately $2,381 (General Operating Fund) and $34,559 (Sewer Operating Fund).

4. DEBENTURE DEBT

If General Capital debenture debt under By-law 1272, amounting to $27,397, being that portion of the Corporation of the City of Courtenay's debentures payable in United States of America currency, had been converted into Canadian dollars at the rates of exchange prevailing at December 31, 1987, the Corporation of the City of Courtenay's liability for such debenture debt would have exceeded the amount recorded in its accounts by approximately $8,219.

Also, if Sewer Capital Fund debenture debt under By-law 1271, amounting to $759,768, being that portion of the Corporation of the City of Courtenay's debentures payable in United States of America currency, had been converted into Canadian dollars at the rates of exchange prevailing at December 31, 1987, the Corporation of the City of Courtenay's liability for such debenture debt would have exceeded the amount recorded in its accounts by approximately $227,930.

5. DOWNTOWN REVITALIZATION LOAN

The interest rate on the loan from the government of the Province of British Columbia varies as follows:

June 12, 1987 to June 11, 1990	10.8%
June 12, 1990 to June 11, 1993	13.5%

THE CORPORATION OF THE CITY OF COURTENAY
SCHEDULE OF GENERAL CAPITAL FUND FIXED ASSETS
YEAR ENDED DECEMBER 31, 1987

Schedule A

	Land	Buildings	Engineering Structures	Machinery and Equipment	Total
General Government					
City Hall	$ 31,300	$ 77,983	$ -	$ 136,875	$ 246,158
Protection to Persons and Property					
Fire Department	19,720	182,348	-	329,356	531,424
Police Department	-	-	-	2,073	2,073
Street and traffic lights	-	-	53,961	-	53,961
Pound	-	5,775	-	-	5,775
Public Works					
Shops, yards, and other buildings	24,640	101,364	16,837	771,406	914,247
Drainage	-	-	1,044,796	-	1,044,796
Streets and sidewalks	1,940	-	3,329,692	-	3,331,632
Parking meters and lots	143,309	-	91,958	6,581	241,848
Airpark	-	-	5,972	-	5,972
Sanitation and Waste Removal					
Garbage dump	380	-	-	-	380
Health					
Health offices	-	135,383	-	-	135,383
Community Services					
Parks	709,577	465,049	1,129,808	61,604	2,366,038
Cemeteries	7,343	8,610	93,251	519	109,723
Marina	24,109	48,800	77,008	-	149,917
Civic Square and theatre	76,265	247,107	52,556	26,226	402,154
Neighborhood Improvement Program	308,881	-	371,046	-	679,927
Parking	226,089	-	-	-	226,089
Miscellaneous					
Land held for redevelopment	9,718	-	-	-	9,718
	$ 1,583,271	$ 1,272,419	$ 6,266,885	$ 1,334,640	$ 10,457,215

THE CORPORATION OF THE CITY OF COURTENAY
SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT
YEAR ENDED DECEMBER 31, 1987

Schedule B

By-law Number		Maturity Date	Interest Rate %	Principal Outstanding 31/12/86	Actuarial Adjustment and Principal Reduction	Principal Outstanding 31/12/87
General Capital Fund						
Debenture debt						
1042/1069	Drainage	1/ 7/92	6.4245	$ 24,514	$ 3,477	$ 21,037
1043/1070	Streets	1/ 7/92	6.4357	52,646	7,465	45,181
1049/1084	Drainage	1/ 4/93	7.3	3,824	438	3,386
1051/1085	Streets	1/ 4/93	7.3	44,310	5,073	39,237
1077/1133	Streets	1/ 4/95	7.43	23,201	1,903	21,298
1262/1272	Downtown Revitalization (Note 5)	28/10/91	Variable	33,451	6,054	27,397
				181,946	24,410	157,536
Other long-term debt						
1416	Park purchase	1/08/91	Prime	48,000	9,600	38,400
1446	Park purchase		Prime	-	-	200,000
1458	Parking purchase		Prime	-	-	180,000
1262	Downtown Revitalization (Note 5)	12/ 6/93	Variable	147,280	21,040	126,240
				195,280	30,640	544,640
				$ 377,226	$ 55,050	$ 702,176
Sewer Capital Fund						
990/1026A	Sewage	1/10/91	8.375	$ 33,174	$ 5,511	$ 27,563
990/1026B	Sewage	1/12/91	7.75	2,029	349	1,680
1040/1067	Sewage	1/ 7/92	6.472	25,799	3,655	22,144
1052/1086	Sewage	1/ 4/93	7.3	1,681	192	1,489
1255/1271	Sewage (Note 4)	28/10/2006	Variable	783,462	23,694	759,768
				$ 846,145	$ 33,501	$ 812,644
Water Utility Capital Fund						
1041/1068	Water	1/ 7/92	6.4433	$ 7,098	$ 1,006	$ 6,092
TOTAL DEBENTURE AND OTHER LONG-TERM DEBT				$ 1,230,469	$ 89,557	$ 1,520,912

THE CORPORATION OF THE CITY OF COURTENAY
SCHEDULE OF INVESTMENTS
YEAR ENDED DECEMBER 31, 1987

Schedule C

	1987	1986
CEMETERY PERPETUAL CARE FUND		
Dominion of Canada Bonds		
5 1/4% May 1, 1990 at cost (par $15,000)	$ 12,638	$ 12,638
Government of Canada - Treasury Bill		
9.35% December 9, 1988	97,927	94,287
	$ 110,565	$ 106,925

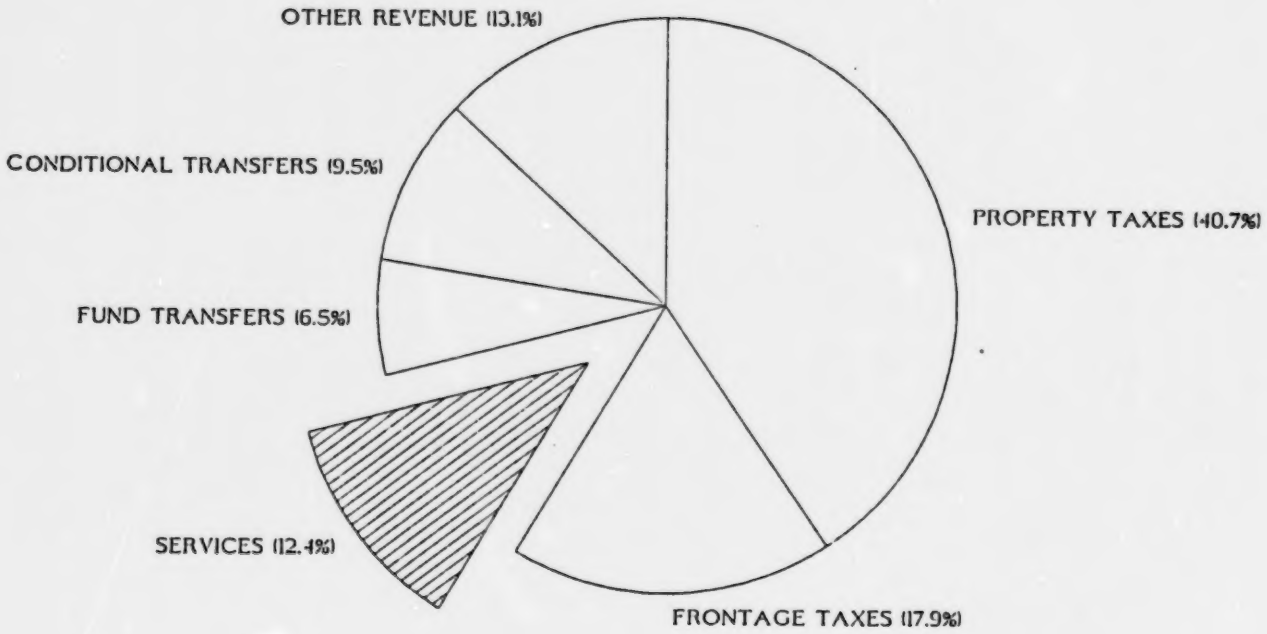
GENERAL CAPITAL FUND
SCHEDULE OF EXPENDITURE FOR FIXED ASSETS
YEAR ENDED DECEMBER 31, 1987

Schedule D

	1987	1986
General government		
Equipment	$ 9,689	$ 11,284
Protection to persons and property		
Fire Department		
Equipment	55,607	20,203
Public Works		
Streets	77,778	125,354
Sidewalks	67,120	65,836
Storm drains	10,546	17,461
Equipment	67,581	74,729
	223,025	283,380
Community services		
Land	472,702	-
Parks	54,708	141,603
Buildings	77,423	5,129
Equipment	4,244	23,922
Cemetery	9,804	10,154
	618,881	180,808
	$ 907,202	$ 495,675

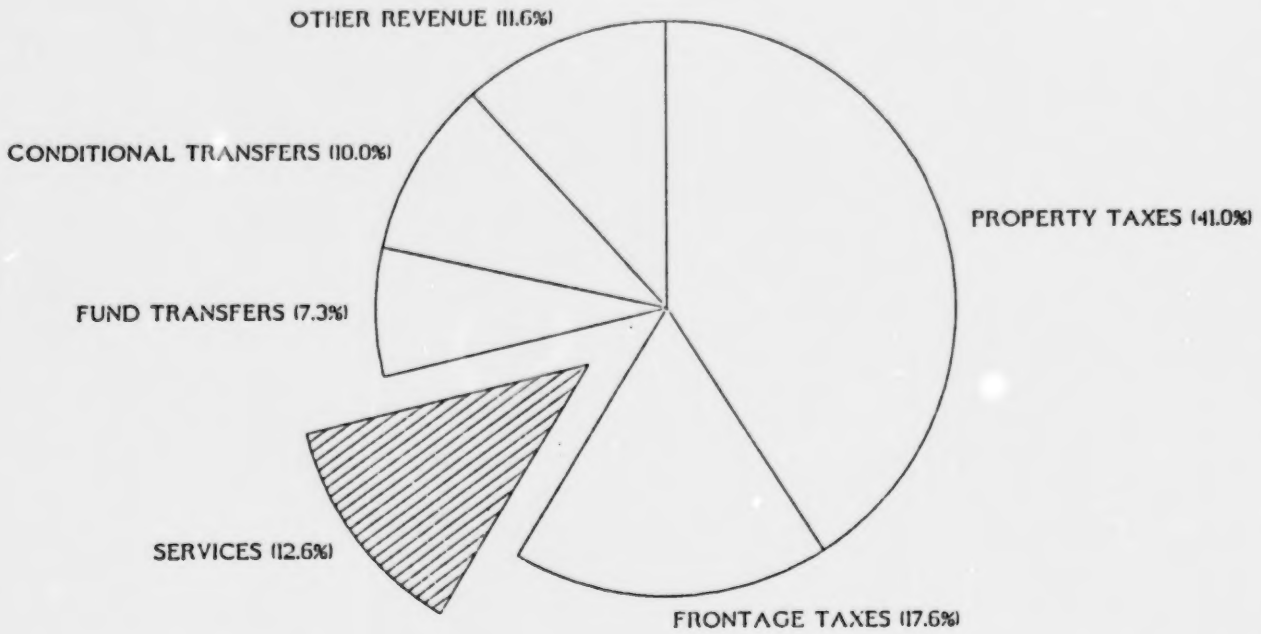
CORPORATION OF THE CITY OF COURTENAY

GENERAL FUND REVENUE - 1986



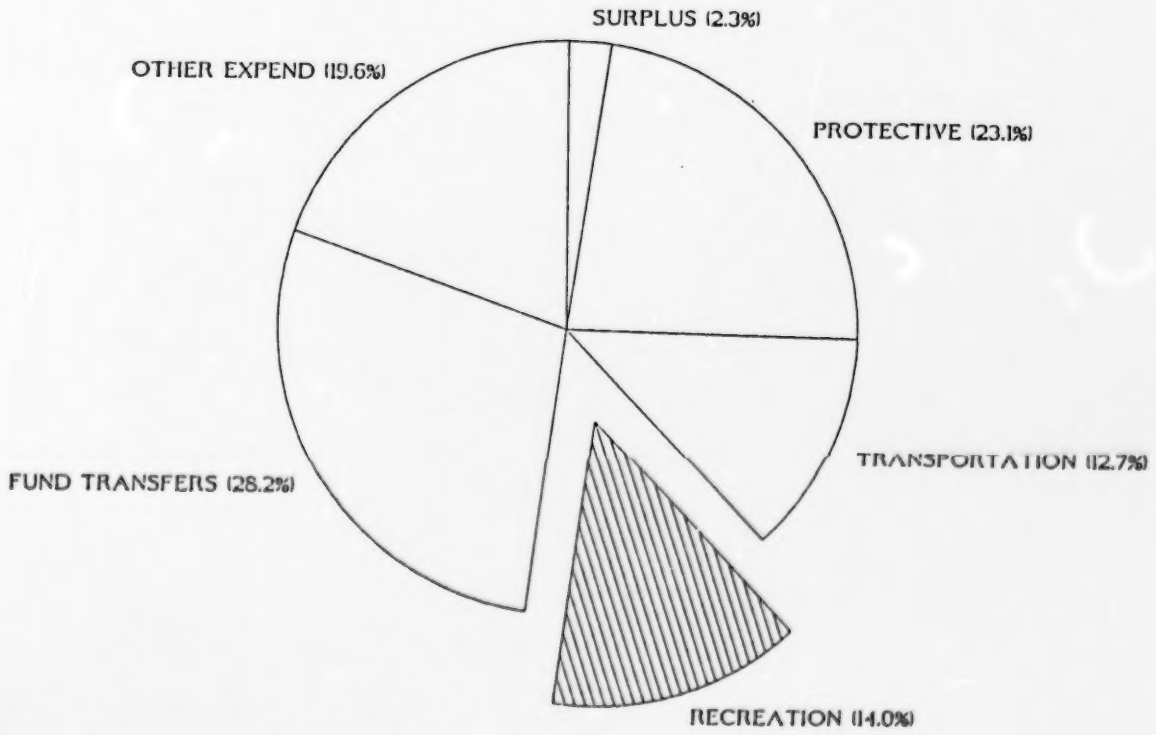
CORPORATION OF THE CITY OF COURTENAY

GENERAL FUND REVENUE - 1987



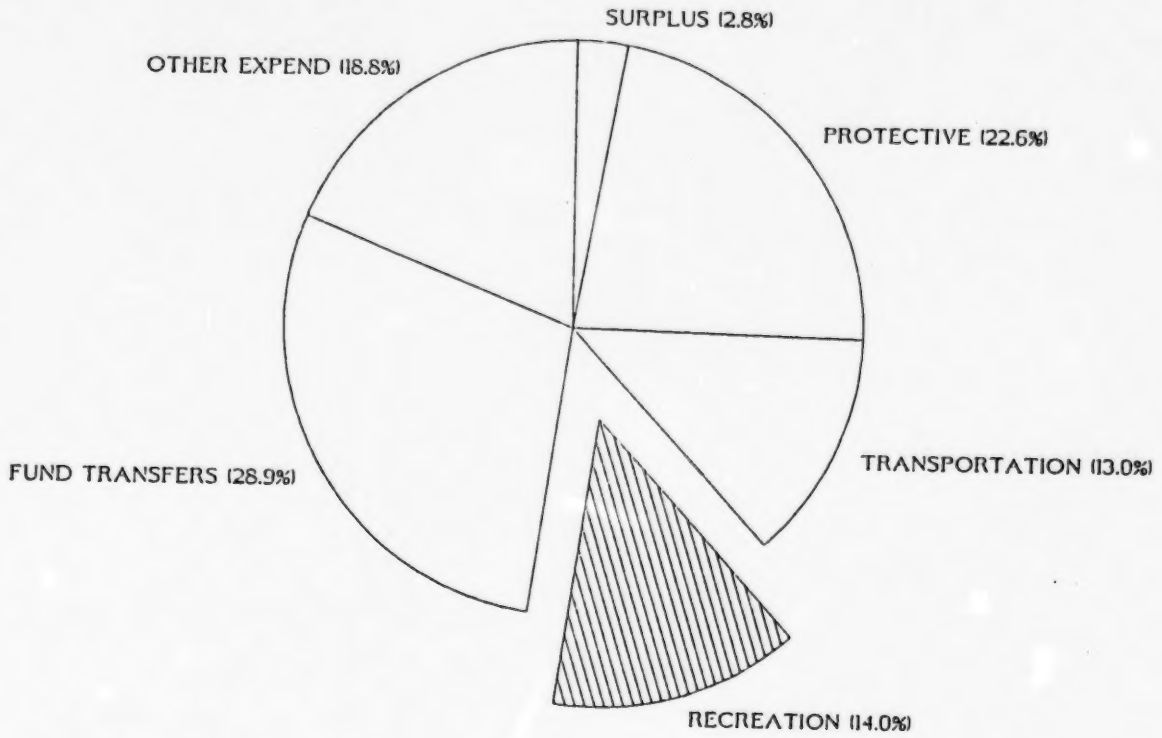
CITY OF COURTENAY

GENERAL OPERATING FUND EXPEND. - 1986



CITY OF COURTENAY

GENERAL OPERATING FUND EXPEND. - 1987



CORPORATION OF THE CITY OF COURTENAY
ANALYSIS OF GENERAL FUND REVENUE

	1980	1981	1982	1983	1984	1985	1986	1987
SEWER FRONTAGE	77548	78738	130035	352448	365282	496237	562780	586193
PROPERTY TAXES	906981	961810	1132537	1187334	1279777	1601824	1836940	1896536
WATER FRONTAGE	121398	128408	267045	281933	288564	293898	292835	292835
GRANTS IN LIEU	54042	63133	73267	79555	163063	99583	126335	137579
SERVICES	342185	426868	549291	572738	540761	571765	591426	614283
OWN SOURCES	107533	165225	108836	104307	119608	118390	132521	156368
PEN & INT	58011	71458	142754	208636	221662	204495	162956	125746
MISCELL	39282	62260	68186	74527	116589	161352	199269	211237
RESERVES	92584	143920	190355	294093	362263	358316	311548	355684
CON TRANS	23670	12915	15312	35941	24673	7362	45819	9345
RENTALS	118587	163941	143926	86526	114652	76078	83668	89365
UNCON TRANS	562863	774260	531379	439428	394196	432252	453331	487972
	2493878	3355353	3353533	3757546	3991326	4415344	4779833	4896632
COLLECTIONS	2922925	2572960	3132831	3067928	3250662	2647959	2625516	2637820
TOTAL REVENUE	4521003	5628513	6486414	6825454	7241968	7063303	7405354	7534442
% CHANGE								
SEWER FRONTAGE		1.61%	65.35%	183.97%	4.23%	35.85%	13.41%	0.61%
PROPERTY TAXES		6.05%	17.75%	5.87%	7.55%	25.13%	14.73%	3.25%
WATER FRONTAGE		0.84%	118.16%	5.59%	2.35%	0.91%	2.69%	0.34%
GRANTS IN LIEU		27.92%	5.70%	8.88%	104.97%	-39.54%	8.52%	0.55%
SERVICES		24.75%	28.68%	3.92%	-5.25%	5.71%	3.44%	3.85%
OWN SOURCES		53.63%	-34.12%	-3.61%	14.09%	-1.00%	11.92%	18.47%
PEN & INT		23.18%	93.77%	46.15%	6.24%	-7.74%	-20.31%	-35.11%
MISCELL		53.41%	13.15%	9.30%	56.44%	38.39%	23.39%	5.99%
RESERVES		55.43%	32.72%	54.43%	22.83%	-8.95%	-13.00%	14.17%
CON TRANS		-49.24%	27.44%	128.85%	-29.59%	-70.16%	522.37%	-78.51%
RENTALS		53.94%	-15.31%	-38.51%	29.58%	-33.67%	9.99%	-3.23%
UNCON TRANS		37.67%	-31.35%	-8.08%	-13.29%	9.15%	5.36%	7.64%

CORPORATION OF THE CITY OF COURTENAY
ANALYSIS OF GENERAL FUND EXPENDITURES

	1980	1981	1982	1983	1984	1985	1986	1987
GENERAL GOV'T	210230	247528	292059	338053	324040	332513	340143	346775
PROTECTIVE	558936	617135	815745	924778	936021	961229	1015772	1046411
TRANSPORTATION	353463	395619	436473	524777	501117	531947	553311	596932
ENVIRON. HEALTH	132295	186373	248654	251093	244351	259385	274749	291830
HEALTH & WELFARE	127793	145142	66712	35291	32061	53843	61858	65131
RECREATION	295323	381685	449038	468153	492121	532486	617626	645761
FISCAL	124634	133486	212045	131076	228755	139385	173342	131232
MISCELL.	9515	8191	1719	2295	2646	2125	10298	29785
RESERVES	613546	841056	810514	983355	1037530	1133455	1242645	1334645
SURPLUS	63811	104221	4934	98484	123214	103120	103202	128809
	2496527	3455355	3337895	3764161	3923856	4150013	4399523	4621419
CHECK OF TOTAL EXPENDITURES	4521203	5526513	6486414	6835454	7041968	7062203	7405354	7524442

% CHANGE							
GENERAL GOV'T	17.74%	17.93%	8.33%	8.42%	8.62%	8.29%	1.95%
PROTECTIVE	10.41%	32.18%	10.91%	3.45%	2.69%	5.67%	3.02%
TRANSPORTATION	11.92%	25.49%	5.78%	-4.51%	6.15%	5.14%	7.83%
ENVIRON. HEALTH	41.33%	32.99%	2.98%	-2.63%	8.82%	3.33%	6.22%
HEALTH & WELFARE	11.82%	-54.24%	-46.73%	-15.30%	35.75%	5.12%	7.02%
RECREATION	29.24%	17.64%	4.26%	4.69%	2.52%	22.91%	4.55%
FISCAL	11.98%	53.18%	-9.73%	19.53%	-13.23%	-12.32%	-24.53%
MISCELL.	-13.31%	-79.12%	21.93%	26.31%	-19.69%	384.61%	189.94%
RESERVES	35.97%	-3.63%	28.93%	4.92%	15.03%	4.12%	7.48%
SURPLUS	63.33%	-95.21%	1872.05%	31.28%	-20.13%	0.08%	24.81%

GENERAL STATISTICS

	1986	1987
Population	9,513	9,631
Area (hectares)		
Land	1,008	1,008
Water	50	50
Total	1,058	1,058
Building Permits		
Number	260	286
Value	5,023,000	12,986,616
Voters' List	3,890	3,729
Net Taxable Assessments		
General, Debt & Regional District	267,100,054	255,990,956
Hospital, Municipal Finance Authority and B. C. Assessment Authority	277,528,696	258,302,639
School	284,926,546	261,481,389
Property Tax Information		
Current Adjusted Tax Levy	5,360,532	5,422,592
Owners' Payments	4,039,267	4,172,578
Home Owner Grants	976,042	957,587
Total Current Collections	5,015,309	5,130,165
Percentage of Current Taxes Collected	93.6%	94.6%
Total Tax Collections for Year	5,695,769	5,556,637
Total Collections as Percentage of Current Levy	106.3%	102.5%
Arrears at End of Year	536,225	443,124
Arrears as Percentage of Current Levy	10.0%	8.2%

TAX RATES - 1987

(Per One Thousand Dollars of Taxable Assessment)

Assessment Base	1 Residential	2 Utility	5 Industrial	6 Business	8 Seas/Rec/N.P.	9 Farm
General						
General Municipal	3.9266	21.5963	13.7431	10.6018	3.9266	3.9266
Debt	.1466	.8063	.5131	.3958	.1466	.1466
	4.0732	22.4026	14.2562	10.9976	4.0732	4.0732
Regional District	.5795	3.1873	2.0283	1.5647	.5795	.5795
	4.6527	25.5899	16.2845	12.5623	4.6527	4.6527
Hospital						
Regional Hospital	.3086	1.0801	1.0492	.7561	.3086	.3086
M.F.A.	.0016	.0056	.00544	.00392	.0016	.0016
B.C.A.A.	.1841	.6444	.6259	.4510	.1841	.1841
	.4943	1.7301	1.68054	1.21102	.4943	.4943
School - Residential	7.64582	-	-	-	-	-
- Non-Residential	-	15.963	12.770	12.770	6.385	6.385
TOTAL	12.79282	43.283	30.73504	26.54332	11.5320	11.5320

Frontage Tax Rates

1	Sewer Frontage	$ 1.95
2	Water Frontage	1.00
4	Downtown Revitalization	22.91

CITY COUNCIL 1988

MAYOR

G. T. COCHRANE

ALDERMEN

S. J. Blain	L. B. DiCastri
K. M. Leakey	H. J. Long
W. R. McConochie	R. V. Webber

FREEMEN OF THE CITY

F. S. Williams
G. L. Hobson
H. W. Bradley
T. Schellinck

CITY OFFICIALS

City Clerk-Administrator	J. E. Wilson
Deputy Clerk	D. Pelletier
Deputy Treasurer	B. Thorlacius
Public Works Superintendent	S. M. Janzen
Fire Chief	L. Burns
Building/Plumbing Inspector	E. L. Cronk
Public Works Foreman	R. F. Carter

CITY AUDITORS

Wharram Standeven & Co.

CITY SOLICITOR

Gibson & Kelly